

# Enacted and Proposed Oil Spill Legislation in the 112<sup>th</sup> Congress

Updated January 16, 2013

**Congressional Research Service** 

https://crsreports.congress.gov

R41684

#### Summary

Recent oil spills, including the 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico, generated an increased level of interest in oil spill legislation during the 112<sup>th</sup> Congress. This report identifies enacted and proposed legislation from the 112<sup>th</sup> Congress that pertains to oil spill-related issues. For this report, oil spill-related issues include oil spill policy matters that concern prevention, preparedness, response, liability and compensation, and Gulf of Mexico restoration. In the context of this report, oil spill issues do not generally include matters pertaining to offshore leasing and drilling.

The 112<sup>th</sup> Congress enacted two statutes that contain oil spill-related provisions. On January 3, 2012, the President signed P.L. 112-90 (the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011), which

- increases civil penalties for violating safety requirements and requires automatic and remote-controlled shutoff valves on newly constructed transmission pipelines;
- directs the Department of Transportation to analyze leak detection systems, and after a review by Congress, issue requirements based on this analysis; and
- requires the Pipeline and Hazardous Materials Safety Administration to review
  whether current regulations are sufficient to regulate pipelines transmitting
  "diluted bitumen," and analyze whether such oil presents an increased risk of
  release.

On July 6, 2012, the President signed P.L. 112-141 (MAP-21), which includes a subtitle referred to as the RESTORE Act. The RESTORE Act establishes the Gulf Coast Restoration Fund in the General Treasury. Eighty percent of any administrative and civil Clean Water Act Section 311 penalties paid by responsible parties in connection with the 2010 *Deepwater Horizon* oil spill will provide the revenues for the fund. Amounts in the fund will be available for expenditure without further appropriation.

The RESTORE Act distributes monies to various entities through multiple processes:

- 35% divided equally among the five Gulf of Mexico states to be applied toward one or more of 11 designated activities;
- 30% provided to a newly created Gulf Coast Ecosystem Restoration Council to finance ecosystem restoration activities in the Gulf Coast region;
- 30% disbursed by the Council to the five Gulf states, based on specific criteria: shoreline impact; oiled shoreline distance from the *Deepwater Horizon* rig; and coastal population. Each state must submit a plan for approval, documenting how funding will support one or more of the 11 designated activities; and

5% to support marine research and related purposes.

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#### Introduction

Congressional interest in oil spill legislation has historically waxed and waned. Recent oil spills led some Members of the 112<sup>th</sup> Congress to express an increased level of interest in oil spill legislation. On April 20, 2010, an explosion occurred at the *Deepwater Horizon* drilling platform in the Gulf of Mexico, resulting in 11 fatalities. The incident disabled the facility and led to a full evacuation before the platform sank into the Gulf on April 22, 2010. A significant release of oil at the sea floor was soon discovered. According to the National Incident Command's Flow Rate Technical Group estimate, the well released approximately 206 million gallons (4.9 million barrels) of oil before it was contained July 15, 2010.<sup>1</sup>

The 2010 Gulf oil spill and two pipeline spills—an Enbridge pipeline in Michigan (2010)<sup>2</sup> and an ExxonMobil pipeline in Montana (2011)<sup>3</sup>—continued to generate some interest in a variety of oil spill-related issues.

This report identifies legislation that addresses oil spill-related issues. For this report, oil spill-related issues include oil spill policy matters that concern prevention, preparedness, response, liability and compensation, and Gulf of Mexico restoration. In the context of this report, oil spill issues do not generally include matters pertaining to offshore leasing and drilling.

For the most part, the underlying statutes for these oil spill-related provisions are found in either the Oil Pollution Act of 1990 (OPA),<sup>4</sup> the Clean Water Act (CWA) and its amendments,<sup>5</sup> or the Outer Continental Shelf Lands Act (OCSLA) and its amendments.<sup>6</sup>

**Table 1** provides a list of acronyms used in the report. **Table 2** identifies enacted oil spill legislation. **Table 3** (House proposals) and **Table 4** (Senate proposals) provide a snapshot of oil spill-related bills in the 112<sup>th</sup> Congress, many of which were (at least in part) offered in response to issues raised by the *Deepwater Horizon* oil spill.<sup>7</sup>

Some of the bills are similar (if not identical) to proposals from the 111<sup>th</sup> Congress. (See Text Box below.) Other bills reflect recommendations by the National Commission on the BP *Deepwater Horizon* Oil Spill and Offshore Drilling.<sup>8</sup>

6 43 U.S.C. §§1331 et seq.

<sup>&</sup>lt;sup>1</sup> Approximately 35 million gallons was recovered directly from the wellhead. The Federal Interagency Solutions Group, *Oil Budget Calculator Science and Engineering Team, Oil Budget Calculator—Deepwater Horizon: Technical Documentation*, November 2010.

<sup>&</sup>lt;sup>2</sup> On July 26, 2010, a pipeline released approximately 800,000 gallons of crude oil into Talmadge Creek, a waterway that flows into the Kalamazoo River in Michigan. For more up-to-date information, see EPA's Enbridge oil spill website at http://www.epa.gov/enbridgespill/index.html.

<sup>&</sup>lt;sup>3</sup> On July 1, 2011, an ExxonMobil pipeline ruptured and released oil into the Yellowstone River near Billings, Montana. According to the pipeline owner (and cited on EPA's website), the incident discharged an estimated 42,000 gallons. For more up-to-date information, see EPA's Yellowstone River spill website at http://www.epa.gov/yellowstoneriverspill/.

<sup>&</sup>lt;sup>4</sup> Primarily codified at 33 U.S.C. §§2701 et seq. OPA amended other sections of the *U.S. Code*, including the Clean Water Act (e.g., 33 U.S.C. §1321) and portions of the tax code (26 U.S.C. §4611 and §9509).

<sup>&</sup>lt;sup>5</sup> 33 U.S.C. §§1251 et seq.

<sup>&</sup>lt;sup>7</sup> CRS Report R42371, Deepwater Horizon Oil Spill: Highlighted Activities, by Jonathan L. Ramseur.

<sup>&</sup>lt;sup>8</sup> The final report from the National Commission on the BP *Deepwater Horizon* Oil Spill and Offshore Drilling and supporting documents are available at http://www.oilspillcommission.gov/.

#### Oil Spill-Related Legislation in the 111th Congress

In the wake of the Deepwater Horizon oil spill, Members in the IIIth Congress introduced more than 150 oil spill-related legislative proposals, enacting three bills into law (P.L. III-191, P.L. III-212, and P.L. III-281). Provisions in these laws generally concerned short-term matters that will not have a lasting impact on oil spill governance. However, H.R. 3619, the Coast Guard Authorization Act for Fiscal Years 2010 and 2011, which the President signed October 15, 2010 (P.L. III-281), includes more substantial changes. In addition to the enacted legislation, the House in the IIIth Congress passed several bills, including H.R. 3534 (the Consolidated Land, Energy, and Aquatic Resources Act—CLEAR Act) that included multiple oil spill provisions. The Senate had comparable bills on its Legislative Calendar, but did not vote on their passage.<sup>9</sup>

The 112<sup>th</sup> Congress enacted two statutes with oil spill-related provisions. First, on January 3, 2012, the President signed P.L. 112-90 (the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011), which includes, among other provisions, the following:

- increases the maximum amount of civil penalties for violations of safety requirements;
- authorizes the Secretary of Transportation to require the installation of automatic and remote-controlled shutoff valves on newly constructed transmission pipelines;
- directs the Secretary of Transportation to submit a report analyzing leak detection systems and issues involved in requiring them. Based on this analysis (and after a review period by Congress), the Secretary of Transportation may issue leak detection requirements; and
- requires the Pipeline and Hazardous Materials Safety Administration to review
  whether current regulations are sufficient to regulate pipelines transmitting
  "diluted bitumen," and analyze whether such oil presents an increased risk of
  release.<sup>10</sup>

Second, on July 6, 2012, the President signed P.L. 112-141 (MAP-21). That act included a subtitle referred to as the RESTORE Act. A detailed summary of that act is provided below.

The bills included in the following tables below are not an exhaustive list of bills that may have some impact on oil spill policy. For example, some Members offered proposals that sought to spur offshore oil exploration and development. As highlighted below, one enacted bill included such a provision and several other such bills passed the House:

• P.L. 112-74, the Consolidated Appropriations Act, 2012 (signed December 23, 2011), included a provision that amends the Clean Air Act (CAA), transferring air emission authority in the OCS off Alaska's north coast from the U.S.

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<sup>&</sup>lt;sup>9</sup> For activity in the 111<sup>th</sup> Congress, see CRS Report R41453, *Oil Spill Legislation in the 111<sup>th</sup> Congress*, by Jonathan L. Ramseur.

<sup>&</sup>lt;sup>10</sup> For more information, see CRS Report R42611, *Oil Sands and the Keystone XL Pipeline: Background and Selected Environmental Issues*, coordinated by Jonathan L. Ramseur.

<sup>&</sup>lt;sup>11</sup> For more information on this legislation and related issues, see CRS Report R42445, *Surface Transportation Reauthorization Legislation in the 112th Congress: MAP-21, H.R. 7, and H.R. 4348—Major Provisions*, coordinated by Robert S. Kirk.

<sup>&</sup>lt;sup>12</sup> Division A, Title I, Subtitle F is titled the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).

Environmental Protection Agency (EPA) to the Department of the Interior (DOI). 13

- H.R. 1230 (passed the House May 5, 2011) would have directed the DOI Secretary to conduct four oil and gas lease sales—three in the Gulf of Mexico and one off the coast of Virginia—within specific time frames.
- H.R. 1229 (passed the House May 11, 2011) would have amended the permit process time frame and change the venue for judicial review.
- H.R. 1231 (passed the House May 12, 2011) would have directed the DOI Secretary to make certain areas of OCS available for leasing based on estimates of oil and gas resources.
- H.R. 2021 (passed the House June 22, 2011) would have amended the CAA to modify the definition of OCS source, to exclude counting support vessel emissions, and to eliminate Environmental Appeal Board authority over exploration permits.

In contrast, some Members introduced bills that would have prohibited oil and gas development in particular areas. The focus of these proposals generally involves environmental protection, particularly oil spill prevention. As such, these latter proposals are included in the tables below, but the former proposals are not. The bills identified in the tables are listed in (descending) order by bill number.

#### **RESTORE Act—Summary**

The RESTORE Act establishes the Gulf Coast Restoration Fund in the General Treasury. Eighty percent of any administrative and civil Clean Water Act (CWA) Section 311<sup>14</sup> penalties paid by responsible parties in connection with the 2010 *Deepwater Horizon* oil spill provide the revenues for the fund. Amounts in the fund will be available for expenditure without further appropriation.

#### **Fund Administration**

The act directs the Secretary of the Treasury to promulgate implementing regulations concerning trust fund deposits and expenditures. Based on this and other provisions, the act appears to give the Secretary of the Treasury the authority to determine how much money from the trust fund should be expended each fiscal year. In the provisions of the act that concern fund distributions, the act includes the phrase: "Of the total amounts made available in any fiscal year from the Trust Fund ..." Another section gives the Secretary authority to stop expending funds to particular entities (e.g., states), if the Secretary determines funds are not being used for prescribed activities.

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<sup>&</sup>lt;sup>13</sup> For more information on this issue, see CRS Report R42123, *Controlling Air Emissions from Outer Continental Shelf Sources: A Comparison of Two Programs—EPA and DOI*, by Jonathan L. Ramseur.

<sup>&</sup>lt;sup>14</sup> 33 U.S.C. §1321.

<sup>&</sup>lt;sup>15</sup> Unless specifically addressed otherwise, the Miscellaneous Receipts Act (31 U.S.C. §3302(b)) provides that all court, or administratively imposed, penalties are paid to the U.S. Treasury. The underlying statutory provisions of the Oil Spill Liability Trust Fund (OSLTF) effectively override this general provision by transferring Clean Water Act Section 311 penalties (among others) into the OSLTF. Thus, the RESTORE Act diverts potential penalty revenues from the OSLTF. For further information, see CRS Report R41679, *Liability and Compensation Issues Raised by the 2010 Gulf Oil Spill*.

#### **Funding Levels**

The amount of revenue that would be available to finance the Gulf Coast Restoration Fund is uncertain. Some identified responsible parties, including BP, have entered in civil and/or criminal settlements with the federal government (see Text Box below). However, BP has not resolved its potential CWA civil penalties, which, as discussed below, could be substantial.

CWA Section 311 authorizes certain civil judicial penalties to the owner, operator, or person in charge of a vessel, onshore facility, or offshore facility for violations of that provision. A civil judicial penalty applies to a violation of the CWA prohibition on discharging oil into navigable waters of the United States. <sup>16</sup> The monetary penalty for this violation may be up to \$37,500 per day of violation, or up to \$1,100 per barrel discharged. If the violation is deemed a result of gross negligence or willful misconduct, the penalty is not less than \$140,000 for the violation, nor more than \$4,300 per barrel discharged. <sup>17</sup> No such negligence determination has been made in connection with the 2010 oil spill.

According to the most recent estimate from the federal government, the 2010 oil spill resulted in a discharge of approximately 206 million gallons (4.9 million barrels) in the Gulf of Mexico. <sup>18</sup> However, the responsible parties are reportedly disputing this estimate. <sup>19</sup> Moreover, an estimated 17% of the 4.9 million barrels did not enter the Gulf environment, but was directly recovered from the wellhead by BP. It is unknown whether this portion of the oil will be counted in a potential CWA penalty determination.

#### Deepwater Horizon Civil and Criminal Settlements

#### **Transocean**

On January 3, 2013, the Department of Justice (DOJ) announced a civil and criminal penalty settlement with Transocean, the company that owned and operated the *Deepwater Horizon* drilling rig. The civil settlement component was \$1 billion, 80% of which would support the Restoration Trust Fund. The proposed civil settlement is subject to a public comment period and final approval from the U.S. District Court in the Eastern District of Louisiana.<sup>20</sup>

In the Transocean Guilty Plea agreement, Transocean agreed to pay \$400 million. The amount is distributed as follows:

• \$150 million to the National Fish and Wildlife Foundation (NFWF);

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<sup>&</sup>lt;sup>16</sup> 33 U.S.C. §1321(b)(3). Other potential violations include failure without sufficient cause to carry out a removal order by the President, and failure to comply with the National Contingency Plan.

<sup>&</sup>lt;sup>17</sup> Congress enacted the Federal Civil Penalties Inflation Adjustment Act of 1990 (28 U.S.C. §2461 note) to ensure that inflation over a long period does not erode the deterrent force of a penalty ceiling. Through a rulemaking process, EPA has adjusted (for inflation) the maximum penalties on several occasions. In a December 1996 rule (61 *Federal Register* 69360, December 31, 1996), EPA increased the per-barrel penalties from \$1,000/barrel and \$3,000/barrel to \$1,100/barrel and \$3,300/barrel (the higher amounts for gross negligence). These amounts applied from January 30, 1997, through March 15, 2004. The gross negligence penalty was increased to \$4,300/barrel in a 2004 rulemaking (69 *Federal Register* 7121, February 13, 2004), going into effect March 15, 2004. A table documenting these changes is in 40 C.F.R. Section 19.4.

<sup>&</sup>lt;sup>18</sup> Federal Interagency Solutions Group, Oil Budget Calculator Science and Engineering Team, *Oil Budget Calculator: Deepwater Horizon-Technical Documentation*, November 2010. See also CRS Report R41531, *Deepwater Horizon Oil Spill: The Fate of the Oil*, by Jonathan L. Ramseur.

<sup>&</sup>lt;sup>19</sup> See e.g., Steven Mufson, "BP lawyers challenge government's size estimate of Gulf of Mexico oil spill," *Washington Post*, December 4, 2010.

<sup>&</sup>lt;sup>20</sup> For further information, see the Department of Justice Press Release at http://www.justice.gov/opa/pr/2013/January/13-ag-004.html.

- \$150 million to National Academy of Sciences for oil spill prevention and response research; and
- \$100 million in fines would go to the Oil Spill Liability Trust Fund.

#### BP

On November 15, 2012, BP and DOI announced a criminal penalty settlement of approximately \$4 billion. The settlement is subject to court approval.<sup>21</sup> The \$4 billion would be distributed as follows:

- \$2.394 billion to the NFWF;
- \$1.15 billion to the Oil Spill Liability Trust Fund;
- \$350 million to the National Academy of Sciences for oil spill prevention and response research; and
- \$100 million to the North American Wetlands Conservation Fund.

On the same day, BP and the Securities and Exchange Commission (SEC) announced a settlement involving civil securities fraud charges. BP agreed to pay \$525 million to settle the charges, which would be used to establish a fund to provide harmed investors with compensation for losses they sustained in the fraud.<sup>22</sup>

On February 17, 2012, DOI and MOEX Offshore 2007 LLC agreed to a \$70 million civil penalty settlement, with an additional \$20 million in supplemental environmental projects.<sup>23</sup> At the time of the Deepwater Horizon oil spill, MOEX owned approximately 10% of the lease for the Macondo well. 24 Of the \$70 million penalty amount, \$45 million goes to the United States (into the Oil Spill Liability Trust Fund), and the remaining \$25 million is distributed in various amounts among the five Gulf states.

The \$1,100 to \$4,300 per-barrel range is the basis of the oft-cited judicial penalty range for the 2010 Deepwater Horizon oil spill: \$4.5 billion to \$21.5 billion.<sup>25</sup> The low end of this range is achieved by multiplying 4.1 million barrels (amount of discharge after removing the 17% directly captured by BP) by \$1,100/ barrel. The upper end of the range is achieved by multiplying 4.9 million barrels (total discharge amount) by the maximum penalty of \$4,300/barrel, which presumes a determination of either gross negligence or willful misconduct.

In addition, when determining the amount of the judicial penalty, CWA Section 311(b)(8)<sup>26</sup> states that "the Environmental Protection Agency (EPA) Administrator, the Secretary [of Homeland Security],<sup>27</sup> or the court, as the case may be," must consider the following factors:

- 1. the seriousness of the violation or violations,
- 2. the economic benefit to the violator, if any, resulting from the violation,
- 3. the degree of culpability involved,
- 4. any other penalty for the same incident,
- 5. any history of prior violations,
- 6. the nature, extent, and degree of success of any efforts of the violator to minimize or mitigate the effects of the discharge,
- 7. the economic impact of the penalty on the violator, and

<sup>&</sup>lt;sup>21</sup> See http://www.justice.gov/iso/opa/resources/43320121115143613990027.pdf.

<sup>&</sup>lt;sup>22</sup> See SEC Press Release, November 15, 2012, at http://www.sec.gov/news/press/2012/2012-231.htm.

<sup>&</sup>lt;sup>23</sup> The U.S. District Court in the Eastern District of Louisiana approved the settlement on June 8, 2012.

<sup>&</sup>lt;sup>24</sup> For further information, see EPA's website, which includes the Consent Decree, at http://www.epa.gov/enforcement/air/cases/moex.html.

<sup>&</sup>lt;sup>25</sup> National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling, Report to the President, January 2011, p. 211.

<sup>&</sup>lt;sup>26</sup> 33 U.S.C. §1321(b)(8).

<sup>&</sup>lt;sup>27</sup> The Coast Guard is part of the Department of Homeland Security.

8. any other matters as justice may require.

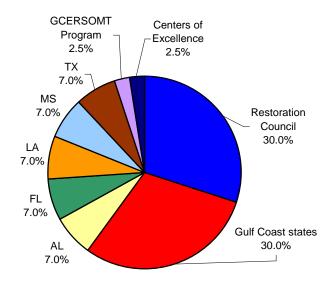
Therefore, the judicial civil penalty for the incident could be less than the low end of the above range (\$4.5 billion), even if gross negligence or willful misconduct is determined.

#### **Funding Distribution and Authorized Uses**

The act distributes monies from the Gulf Coast Restoration Fund to various entities through multiple processes. All of the funds—not counting authorized administrative activities—would support activities in one or more of the five Gulf of Mexico states. The majority of the funds (65%) is allocated directly to the states (or political subdivisions), with certain conditions. The different fund allotments and their conditions are discussed below and illustrated in **Figure 1**.

Figure 1. RESTORE Act Funding Distribution

Does Not Include Distribution of Interest Earned



**Source:** Prepared by CRS.

**Notes:** The GCERSOMT Program refers to the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program established by the RESTORE Act.

#### 35%—Equal Shares to the Five Gulf States

The largest portion of the fund (35%) is divided equally among the five Gulf of Mexico states: Alabama, Florida, Louisiana, Mississippi, and Texas. The act has further requirements for specific distributions to political subdivisions in Florida and Louisiana. In Florida, 75% of its share will be distributed to the "8 disproportionately affected counties." In Louisiana, 30% of its share goes to individual parishes based on a statutory formula.

The act stipulates that the state (or county) funding must be applied toward one or more of the following 11 activities:

- 1. Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region.
- 2. Mitigation of damage to fish, wildlife, and natural resources.
- 3. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring.
- 4. Workforce development and job creation.
- 5. Improvements to or on state parks located in coastal areas affected by the Deepwater Horizon oil spill.
- 6. Infrastructure projects benefitting the economy or ecological resources, including port infrastructure.
- 7. Coastal flood protection and related infrastructure.
- 8. Planning assistance.
- 9. Administrative costs (limited to not more than 3% of a state's allotment).
- 10. Promotion of tourism in the Gulf Coast Region, including recreational fishing.
- 11. Promotion of the consumption of seafood harvested from the Gulf Coast Region.

To receive its share of funds, a state must meet several conditions, including a certification (as determined by the Secretary of the Treasury) that, among other things, funds are applied to one of the above activities and activities are selected through public input. In addition, states must submit a multiyear implementation plan, documenting funded activities.

#### 30% - Gulf Coast Ecosystem Restoration Council

The act distributes 30% of its trust fund monies to a newly created Gulf Coast Ecosystem Restoration Council. The Council is composed of high-level officials from six federal agencies and the governor (or his/her designee) from each of the five Gulf states. Based on its Comprehensive Plan, the Council will finance ecosystem restoration activities in the Gulf Coast region.

#### 30%—Unequal Shares to the Five Gulf States Disbursed by the Council

The act directs the Council to disburse 30% of the trust fund monies to the five Gulf states. The Council is to develop a distribution formula based on criteria listed in the act. In general, the criteria involve a measure of shoreline impact; oiled shoreline distance from the *Deepwater Horizon* rig; and coastal population. CRS is not aware of an authoritative source that has estimated how much each state would receive under these criteria.

To receive funding, each state must submit a plan for approval to the Council. State plans must document how funding will support one or more of the 11 categories listed above. However, only 25% of a state's funding can be used to support infrastructure projects in categories 6 and 7 above.<sup>28</sup>

<sup>&</sup>lt;sup>28</sup> The act allows states to spend more than 25% of their funding on infrastructure if the state certifies the projects will meet particular conditions.

## 2.5%—Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology (GCERSOMT) Program

The act establishes the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology (GCERSOMT) program, funded by 2.5% of monies in the trust fund. The National Oceanic and Atmospheric Administration (NOAA) Administrator will implement the program, which will support marine research projects that pertain to species in the Gulf of Mexico.

#### 2.5%—Centers of Excellence

The act disburses 2.5% of monies in the trust fund to the five Gulf states to establish—through a competitive grant program—"centers of excellence." The centers would be nongovernmental entities (including public or private institutions) in the Gulf Coast Region.

#### Interest Earned by the Fund

Finally, interest earned by the trust fund would be distributed as follows:

- 50% would fund the Gulf Coast Ecosystem Restoration Council, so it can "carry out the Comprehensive Plan."
- 25% would provide additional funding for the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology program mentioned above.
- 25% would provide additional funding for the centers of excellence research grants mentioned above.

Table 1. List of Acronyms

| ВОР   | Blowout preventer                               |
|-------|---|
| CAA   | Clean Air Act                                   |
| CEQ   | Council on Environmental Quality                |
| CWA   | Clean Water Act                                 |
| CZMA  | Coastal Zone Management Act                     |
| DHS   | Department of Homeland Security                 |
| DOI   | Department of the Interior                      |
| DOT   | Department of Transportation                    |
| EEZ   | Exclusive Economic Zone                         |
| EPA   | Environmental Protection Agency                 |
| GAO   | Government Accountability Office                |
| MODU  | Mobile offshore drilling unit                   |
| NEPA  | National Environmental Policy Act               |
| NOAA  | National Oceanic and Atmospheric Administration |
| OCS   | Outer continental shelf                         |
| OCSLA | Outer Continental Shelf Lands Act               |
| OPA   | Oil Pollution Act                               |
| OSLTF | Oil Spill Liability Trust Fund                  |

SONS Spill of National Significance

Table 2. Enacted Oil Spill Legislation in the 112th Congress

| P.L. Number  | <b>Enacted Date</b> | Related Bills | Key Oil Spill-Related Provisions   |
|--------------|---------------------|---------------|--|
| P.L. 112-90  | January 3, 2012     | H.R. 2845     | Increases the maximum amount of civil penalties for violations of safety requirements.   |
|              |                     |               | Authorizes the Secretary of Transportation to require the installation of automatic and remote-controlled shutoff valves on newly constructed transmission pipelines. <sup>a</sup>   |
|              |                     |               | Directs the Secretary of Transportation to submit a report analyzing leak detection systems and issues involved in requiring them. Based on this analysis (and after a review period by Congress), the Secretary of Transportation may issue leak detection requirements.  |
|              |                     |               | Requires the Pipeline and Hazardous Materials Safety Administration to review whether current regulations are sufficient to regulate pipelines transmitting "diluted bitumen," and analyze whether such oil presents an increased risk of release.   |
| P.L. 112-141 | June 6, 2012        | H.R. 4348     | Includes, among other provisions, the "RESTORE Act." This title establishes the Gulf Coast Restoration Fund, which is supported (without further appropriations) with 80% of any Clean Water Act administrative and civil penalties paid in connection with the 2010 Deepwater Horizon oil spill.  |
|              |                     |               | Directs the Secretary of the Treasury to promulgate implementing regulations concerning trust fund deposits and expenditures.  |
|              |                     |               | Distributes funds as follows:  |
|              |                     |               | -35%: divided equally among the five Gulf of Mexico states: Alabama, Florida, Louisiana, Mississippi, and Texas<br>These allotments must be applied toward one or more of 11 designated activities, including "workforce<br>development and job creation."   |
|              |                     |               | -30%: provided to a newly created Gulf Coast Ecosystem Restoration Council. Based on a comprehensive plan, the Council will finance ecosystem restoration activities in the Gulf Coast region.   |
|              |                     |               | -30%: disbursed by the Council to the five Gulf states, based on criteria listed in the act. In general, the criteria involve a measure of shoreline impact; oiled shoreline distance from the Deepwater Horizon rig; and coastal population. To receive funding, each state must submit a plan for approval to the Council and document how funding will support one or more of the 11 designated activities described above. |
|              |                     |               | -2.5%: provided to a newly created Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and<br>Technology (GCERSOMT) program. National Oceanic and Atmospheric Administration (NOAA) will<br>implement the program, which will support marine research projects that pertain to species in the Gulf of<br>Mexico.  |
|              |                     |               | -2.5%: disbursed to the five Gulf states to establish—through a competitive grant program—"centers of excellence" in the Gulf region.  |
|              |                     |               | Interest earned by the fund would be distributed as follows:   |
|              |                     |               | -50% to support the Gulf Coast Ecosystem Restoration Council's Comprehensive Plan  |
|              |                     |               | -25% to the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology program.   |
|              |                     |               | -25% to the centers of excellence grant program.   |

Source: Prepared by CRS.

**Notes:** The bills included in this table do not represent an exhaustive list but include bills that generally focus on oil spill policy matters that concern prevention, preparedness, response, liability and compensation, and Gulf restoration.

- a. For more information, see CRS Report R41536, Keeping America's Pipelines Safe and Secure: Key Issues for Congress, by Paul W. Parfomak.
- b. Division A, Title I, Subtitle F is titled the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act).

#### Table 3. Oil Spill Legislation in the 112th Congress—House Proposals

Bills marked with an asterisk indicate committee or chamber action

Does not include resolutions

| Bill<br>Number | Sponsor                       | Introduced<br>Date | Short Title   | Major Actions  | Key Provisions  |
|----------------|-------------------------------|--------------------|---|--|---|
| H.R. 52        | Connolly                      | January 5, 2011    | Oil Pollution<br>Environmental<br>Review Act<br>(OPERA) | Referred to the House<br>Committee on Natural<br>Resources   | Amends OCSLA to require the head of any federal agency to treat the issuance of exploration plans, development production plans, development operation coordination documents, and lease sales as a major federal action under NEPA.  |
| H.R. 53        | Connolly                      | January 5, 2011    |   | Referred to the House<br>Committee on Ways and<br>Means  | Amends the tax code retroactively to prohibit tax deductions for expenses related to costs or damages associated with oil spill liability.  |
| H.R. 54        | Connolly                      | January 5, 2011    | Stand by your<br>Oil Pollution<br>Act                   | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure  | Amends retroactively the OPA definition of responsible party to include any person having an ownership interest of more than 25% of any of the responsible party categories (e.g., vessels, facilities, pipelines). Liability limit for this new category of responsible party is based on the percentage of the aggregate ownership interests.                 |
| H.R. 56        | H.R. 56 Scalise January 5, 20 | January 5, 2011    | Gulf Coast<br>Restoration<br>Act                        | Referred to the House<br>Committee on Natural<br>Resources; and Committee<br>on Transportation and<br>Infrastructure | Creates a Gulf Coast Ecosystem Restoration task force, staffed by high-ranking federal agency officials, and appointees from Gulf states and local governments. The President appoints the chair. State governors (Alabama, Florida, Louisiana, Mississippi, and Texas) submit coastal ecosystem restoration plans for approval by the chair of the task force. |
|                |                               |                    |   |  | Establishes a Gulf Coast Ecosystem Restoration Fund, financed by not less than 80% of any <i>Deepwater Horizon</i> -related penalties, settlements, and fines under §309 and §311 of CWA. The task force chair is to distribute monies from the fund to states in support of their restoration plans.   |
| H.R. 261       | Pallone                       | January 11, 2011   | No New<br>Drilling Act of<br>2011                       | Referred to the House<br>Committee on Natural<br>Resources   | Amends OCSLA to prohibit all oil/gas OCS leasing.   |

| Bill<br>Number | Sponsor  | Introduced<br>Date | Short Title  | Major Actions   | Key Provisions  |
|----------------|----------|--------------------|--|---|---|
| H.R. 264       | Thompson | January 26, 2011   | Northern California Ocean and Coastal Protection Act   | Referred to the House<br>Committee on Natural<br>Resources                          | Amends the OCSLA to prohibit oil/gas OCS leases off the coast of Mendocino, Humboldt, and Del Norte counties in California.   |
| H.R. 480       | Castor   | January 26, 2011   | Gulf of<br>Mexico<br>Economic and<br>Environmental<br>Restoration<br>Act of 2011   | Referred to the House<br>Committee on Natural<br>Resources and other<br>committees  | Establishes a Gulf of Mexico Recovery Council composed of senior federal agency officials, and appointees by the President from Gulf states (Louisiana, Alabama, Mississippi, and Texas) governments; and tribal representatives. Council duties include reviewing state restoration plans and allocating funds to states with approved plans; creating a Gulf Observation System, a sea grant program, a seafood marketing program, a clean energy program, and a Gulf working group composed of Council members and local parties; submitting an annual report to Congress. |
|                |          |                    | Establishes the Gulf of Mexico Economic and Environmental Recovery Fund financed by not less than 80% of any Gulf oil spill penalties, settlements, and fines under CWA §309 and §311. Subject to appropriations, the fund is available to the Council for redevelopment, restoration, and public health rehabilitation. The Council is to distribute 80% of available funds in each fiscal year to support state restoration plans. Allocation to states are based on a formula: 60% on state's proportionate length of Gulf coast shoreline—per the National Oceanic and Atmospheric Administration (NOAA) Office of Coast Survey—and 40% on state's proportionate share of population in counties that border the Gulf coast. |   |   |
|                |          |                    |  |   | Remaining 20% of funds allocated as follows: 40% to observation system; 30% to clean energy program; 15% to sea grant program; and 15% to seafood marketing program.  |
| H.R. 492       | Holt     | January 26, 2011   | Big Oil Bailout<br>Prevention<br>Act of 2011   | Referred to the House<br>Committee on House<br>Transportation and<br>Infrastructure | Amends OPA retroactively to eliminate the liability limit for offshore facilities.  |

| H.R. 501 | H.R. 501 Markey | January 26, 2011 | Implementing the  | Referred to the House<br>Committee on Natural<br>Resources and other<br>committees | <b>Title I:</b> Among other provisions, <sup>a</sup> reorganizes the federal agency in charge of overseeing offshore oil and gas operations. <sup>b</sup>  |
|----------|-----------------|------------------|---|--|--|
|          |                 |                  | Recommendat<br>ions of the BP<br>Oil Spill<br>Commission<br>Act of 2011 |  | <b>Title II:</b> Directs DOI Secretary to implement regulations that (1) require third-party certification for BOPs, well casing, and cementing; (2) require mandatory safety and environmental management systems for operators; (3) set specific requirements for BOPs, well design, and cement jobs. New requirements apply to state waters unless state can demonstrate an equal level of safety.  |
|          |                 |                  |   |  | To obtain leases, easements, or right-of-ways, parties must certify that several conditions are met, including potential responsible party obligations under OPA for removal costs and damages.  |
|          |                 |                  |   |  | Instructs DOI Secretary to publish every five years estimates of worst-case scenario discharges in each OCS region. Increases the review time from 30 to 90 days for exploration plans, allowing additional review time in certain circumstances. Requires additional response/containment information be submitted with exploration plans. Requires engineering review and completion of a safety and environmental management plan before issuance of drilling permits. Creates additional requirements to meet before issuing exploration permits: consultation with Secretary of Commerce; available equipment/technology to remediate a worst-case discharge. |
|          |                 |                  |   |  | Stipulates that exploration plan approvals require environmental assessments or environmental impact statements in accordance with NEPA. <sup>c</sup> Removes the OCSLA exemption for western and central Gulf of Mexico operations to submit a development and production plan, the approval (or significant revision) of which shall require an environmental assessment or environmental impact assessment per NEPA.  |
|          |                 |                  |   |  | Modifies general policy of the leasing program to direct DOI Secretary to balance national energy needs with environment and natural resource protection. Directs DOI Secretary to consider NOAA input regarding the leasing program. Directs DOI Secretary to request a review of a proposed leasing program from the Secretary of Commerce and publish reasons for modifying or rejecting Commerce recommendations. Requires DOI Secretary's environmental studies (in 43 U.S.C. §1346) to be in cooperation with Secretary of Commerce and to conduct research of deepwater oil spills.   |
|          |                 |                  |   |  | Removes an "economically feasible" clause, regarding the use of best available and safest economically feasible technologies. Directs DOI Secretary to publish every three years a list of the best available technologies for offshore operations, including BOP and spill response. Instructs DOI Secretary to promulgate regulations to take effect no later than five years later requiring a "safety case" be submitted with each new permit to drill.  |

| Bill   |         | Introduced |             |                      |   |
|--------|---------|------------|-------------|----------------------|---|
| Number | Sponsor | Date       | Short Title | <b>Major Actions</b> | Key Provisions  |
|        |         |            |             |                      | Modifies inspection regulations by requiring scheduled, monthly inspections at OCS facilities. Adds loss of well control to list of events for which the Coast Guard must make an investigation and prepare a public report. Requires an annual certification that various drilling equipment and processes are in place and functioning properly. Requires third-party certification of equipment changes or upgrades.   |
|        |         |            |             |                      | Increases from 60 to 90 days the time period for filing a petition for a judicial review of certain leasing program decisions made by the DOI Secretary. Increases civil and criminal penalty amounts in OCSLA.   |
|        |         |            |             |                      | Requires lessees to submit daily reports, generated either by the lessee or its contractor, to DOI Secretary no more than 24 hours after the required date.   |
|        |         |            |             |                      | Repeals royalty relief provisions of the Energy Policy Act of 2005 for deepwater production in the Gulf of Mexico.  |
|        |         |            |             |                      | Directs DOI Secretary to create a research and risk assessment program; and submit a report to Congress on costs of conducting baseline environmental studies needed to implement OCSLA.  |
|        |         |            |             |                      | Allows for states to submit recommendations concerning exploration plans in addition to lease sales and development and production plans. Provides a non-preemption clause for state and local governments.   |
|        |         |            |             |                      | Title III: Among other provisions, modifies oil and gas royalty payments.d  |
|        |         |            |             |                      | <b>Title IV:</b> Creates a Gulf Coast Ecosystem Restoration Task Force, staffed by high-ranking federal agency officials, and appointees from Gulf states and local governments. The President appoints the chair. State governors (Alabama, Florida, Louisiana, Mississippi, and Texas) submit coastal ecosystem restoration plans for approval by the chair of the task force. Establishes a Gulf Coast Ecosystem Restoration Fund, financed by not less than 80% of the Deepwater Horizon-related penalties, settlements, and fines under CWA §309 and §311. The task force chair is to distribute monies from the fund to states in support of their restoration plans. |
|        |         |            |             |                      | Title V: Directs CEQ chairman to establish/designate a Regional Coordination Council for each region. Directs the Councils to prepare (I) an initial assessment of data and information deficiencies regarding, among other things, conservation and management of water resources; and (2) a regional strategic plan to foster sustainable uses of the region's resources. CEQ chairman must approve the strategic plans. Establishes in the Treasury the Ocean Resources Conservation and Assistance (ORCA) Fund, subject to appropriations. ORCA funds allocated by formula for various grant programs and other purposes.   |

| Bill<br>Number | Sponsor | Introduced<br>Date | Short Title | Major Actions | Key Provisions  |
|----------------|---------|--------------------|-------------|---------------|---|
|                | · ·     |                    |             | ,<br>,        | Title VI: Removes retroactively the liability limit for offshore facilities; modifies the liability limit provisions for MODUs. Directs the President to revise the liability limits for vessels, onshore facilities, and deepwater ports at least once every three years after enactment; revisions should reflect the greater of (1) liability amount commensurate with risk (as determined by the President) or (2) an increase in Consumer Price Index.   |
|                |         |                    |             |               | Amends definition of "removal costs" to include related federal enforcement activities. Makes a corresponding addition to removal costs liability provision. Expands definition of "responsible party" for onshore facilities. Amends the CWA definition of "discharge (in 33 U.S.C. §1321) to also exclude discharges incidental to salvage activities authorized by the Presiden in accordance with the NCP.e Adds "salvage activities" to the list of activities exempt from liability. Modifies cost recovery provisions. Removes a defense—willful misconduct of the responsible party—for claims against the guarantor. |
|                |         |                    |             |               | Adds retroactively human health, including mental health, to the categories of damages for which a responsible party is liable. Amends OPA liability by adding Indian Tribes to government revenue and public services damage categories. Amends OPA definition of responsible party to include any person having an ownership interest of more than 25% of any of the responsible party categories (e.g., vessels, facilities, pipelines). Amends OPA to shorten the time frame from 90 to 45 days for claimants waiting on a responsible party to address a submitted claim.  |

Adds considerations for natural resource trustees when determining the means of addressing natural resource damages; eliminates the "rebuttable presumption" provision that applies to trustees' natural resource damage assessments in administrative or judicial proceedings.

Increases the amount of financial responsibility that offshore facilities must demonstrate to \$300 million, but allows for President to establish alternate amounts based on several factors, including (among others) the insurance market, discharge risk, asset value of offshore facility company. Alternate amounts must be at least \$105 million for facilities seaward of state waters boundary and \$30 million for facilities landward of a state waters boundary. Directs President to review all financial responsibility amounts every three years and revise upward based on various factors.

Directs the President to develop regulations allowing advance payments from the OSLTFf to states and localities to prepare for and mitigate oil spills. Amends the tax code (26 U.S.C. §9509) to eliminate the \$1 billion perincident cap on the OSLTF; allows for advances from the General Treasury to the OSLTF.

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|--------|---------|------------|-------------|----------------|--|
| Number | Sponsor | Date       | Short Title | Major Actions  | Key Provisions  Adds provision stating during a SONS the President may exercise authorities to ensure that the presentation, filing, processing, settlement, and adjudication of claims occurs within the areas affected by the spill to greatest extent practicable. Authorizes the President to require during a SONS a responsible party to provide information related to its claims process. Required information includes claim processing time and "any other data necessary to ensure the performance of the responsible party or the guarantor with regard to the processing and adjudication of such claims."  |
|        |         |            |             |                | Adds provision to shipping code (46 U.S.C. §12111) requiring that vessels (including MODUs) engaged in EEZ resource activities be registered and owned by a U.S. citizen (i.e., U.S. flagged). Amends OPA to require that offshore facilities used for oil exploration, development, or production in, on, above, or below the EEZ must be built in the United States. Allows the DHS Secretary to grant waiver under certain conditions.  |
|        |         |            |             |                | Requires MODU safety management plans pursuant to 46 U.S.C. §3203 plans that address drilling operations; requires a MODU operator to obtain a specific license. Directs the DHS Secretary to enhance vessel safety standard regulations by addressing worst-case discharges; shortens the double-hull transition period (from 2015 to 2011) for certain single-hull tankers.  |
|        |         |            |             |                | Increases certain CWA penalty amounts; modifies the administrative penalty provisions.   |
|        |         |            |             |                | Amends the CWA to require changes to the NCP regarding dispersant use and regulation, including toxicity thresholds, independent testing, ranking of dispersants by region, ingredient disclosure; directs EPA to conduct dispersant risk study; authorizes fee collection to cover EPA's dispersant evaluation costs; adds NCP provision concerning containment booms, response planning for worst-case discharges.   |
|        |         |            |             |                | Removes ability for tank vessels and offshore/onshore facilities to operate without a response plan if a submitted plan is awaiting official approval. Allows the President to designate which offshore facilities would require response plan review from the DHS Secretary; requires that response plans contain additional information (e.g., risk analysis); grants additional authority concerning response plan oversight (e.g., biennial report to Congress) and enforcement. Amends CWA to more explicitly describe the oil spill prevention and response duties of EPA, the Coast Guard, DOT, and DOI. Directs the President to implement or revise memoranda of understanding to clarify oil spill prevention roles and responsibilities of various federal agencies. Amends the CWA response plan provisions to require plans to specify redundancies if planned actions fail; requires response plans be "vetted by impartial experts." Amends the OCSLA to prohibit the DOI |

| Bill<br>Number | Sponsor   | Introduced<br>Date   | Short Title  | Major Actions   | Key Provisions  |
|----------------|-----------|----------------------|--|---|---|
|                |           |                      |  |   | Secretary from issuing a license or permit for drilling unless the applicant has an approved facility response plan. Requires the Coast Guard to inventory and maintain a database of all vessels capable of oil spill response.  |
|                |           |                      |  |   | Authorizes additional appropriations from the Oil Spill Liability Trust Fund to support DHS, EPA, and DOT.  |
|                |           |                      |  |   | Modifies provisions in OPA Title VII (Research and Development); reduces membership of Interagency Committee to Coast Guard, NOAA, DOI, and EPA. Establishes a Science and Technology Advisory Board that assists the Committee. Authorizes new and increased funding for the regional research program: §321 provides \$48 million for FY2012-FY2016 (without further appropriation) from oil and gas royalty payments. (See Title III of this bill.) Of this amount, the bill authorizes (subject to appropriations) specific funding to NOAA for research activities.  |
|                |           |                      |  |   | <b>Title VII:</b> Amends CZMA by authorizing grants to states to revise management programs to implement oil spill response capabilities. Directs GAO to evaluate (and submit a report to Congress three years after enactment) the effectiveness of reforms required by this act. Directs a study from the National Academy of Engineering regarding drilling a relief well in tandem with an exploration/production well. Establishes a permanent Flow Rate Technical Group chaired by the Director of the U.S. Geologic Survey and composed of representatives from the Coast Guard, NOAA, Department of Energy, national laboratories, and academic institutions. |
| H.R. 612       | Garamendi | February 10,<br>2011 | West Coast<br>Ocean<br>Protection<br>Act of 2011                             | Referred to the House<br>Committee on Natural<br>Resources                    | Amends the OCSLA to prohibit oil/gas leases in the OCS off the coast of the California, Oregon, or Washington.  |
| H.R. 832       | Capps     | February 28,<br>2011 | Gulf Coast<br>Health<br>Monitoring<br>and Research<br>Program Act<br>of 2011 | Referred to the House<br>Committee on Energy and<br>Commerce                  | Establishes a health screening, monitoring, and research program for oil spill workers, Gulf residents, and food safety affected by the Deepwater Horizon spill. Creates a Gulf Coast Health Research Advisory Committee to provide advice to agencies involved in the program. Directs Secretary of Health and Human Services to submit an annual report to Congress regarding the program.  |
| H.R. 1228      | Landry    | March 29, 2011       | Natural<br>Resources<br>Restoration<br>Act of 2011                           | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure | Directs EPA to create a panel, in consultation with the National Academy of Sciences and federal and state trustees, to prepare a preliminary report of natural resource damages. Requires resource trustees to prepare a "special assessment" in amount equal to 30% of costs of restoring natural resources (or a mutually agreed amount). Responsible parties must pay this amount, which will be used to for restoration projects.  |

| Bill<br>Number | Sponsor  | Introduced<br>Date | Short Title  | Major Actions   | Key Provisions  |
|----------------|----------|--------------------|--|---|---|
| H.R. 1333      | Miller   | April I, 2011      | Gulf Coast<br>Economic and<br>Tourism<br>Restoration<br>Act                                | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure Committee<br>on Energy and Commerce   | Establishes a Gulf Coast Economic Restoration Fund, financed by not less than 40% of the Deepwater Horizon-related penalties, settlements, and fines under CWA §§309 and 311. Creates a Gulf Coast Economic Restoration Task Force to distribute monies, subject to appropriations, from the Fund to Gulf states to support Gulf coast economic development and tourism.  |
| H.R. 1393      | Buchanan | April 6, 2011      | Oil Spill<br>Prevention<br>Act of 2011   | Referred to the House<br>Committee on Natural<br>Resources and Committee<br>on Transportation and<br>Infrastructure | Amends OPA retroactively to eliminate the liability limit for offshore facilities. Directs the Bureau of Ocean Energy Management, Regulation and Enforcement to conduct monthly inspections of vessels/facilities drilling for offshore oil/gas. Prohibits categorical exemptions from any federal requirement or restriction for oil/gas operations in water over 1,000 feet deep.   |
| H.R. 1520      | Inslee   | April 13, 2011     | Offshore<br>Drilling Safety<br>Improvement<br>Act  | Referred to the House<br>Committee on Natural<br>Resources and Committee<br>on Energy and Commerce                  | Amends the OCSLA to require OCS oil and gas drilling and production operations to have safety and environmental management systems, including BOPs and additional backup emergency shutoff equipment. The equipment must use the "best available and safest technologies." Implementing regulations are to consider different requirements for different water depths.  |
| H.R. 1568      | Woolsey  | April 14, 2011     | Oil Pollution<br>Research and<br>Development<br>Program<br>Reauthorizatio<br>n Act of 2011 | Referred to the House<br>Committee on Science,<br>Space, and Technology   | Amends multiple provisions in OPA Title VII (research and development): alters structure of the interagency committee; directs committee to meet annually and to develop an information clearinghouse; amends implementation plan provisions; creates an Oil Pollution Research Advisory Committee to support the Interagency Committee; increases authorization for appropriations for various provisions.   |
| H.R. 1597      | Capps    | April 15, 2011     | California<br>Ocean and<br>Coastal<br>Protection<br>Act                                    | Referred to the House<br>Committee on Natural<br>Resources  | Amends the OCSLA to prohibit oil/gas leases in the OCS off the coast of the California.   |
| H.R. 1664      | Young    | April 15, 2011     | SAFEGUARD<br>S Act of 2011   | Referred to the House<br>Committee on Natural<br>Resources and Committee<br>on Transportation and<br>Infrastructure | Amends the OCSLA to require that the Coast Guard approve a facility response plan before a facility receives a permit for exploration or production activities. Requires the appropriate official to conduct water quality monitoring 48 hours after an oil or hazardous substance discharge occurs. Extends review time for exploration plans from 30 to 90 days and allows for an additional 60-day extension. Prohibits exploration plans from receiving a NEPA categorical exclusion. |

| Bill<br>Number | Sponsor  | Introduced<br>Date   | Short Title  | Major Actions  | Key Provisions  |
|----------------|----------|----------------------|--|--|---|
| H.R. 1762      | Bonner   | May 5, 2011          | Gulf Coast<br>Restoration<br>Act   | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure and other<br>committees                                | Establishes a Gulf Coast Restoration Fund, financed by not less than 80% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §§309 and 311. Creates a Gulf Coast Restoration Task Force, staffed by high-ranking federal agency officials, and appointees from Gulf states and local governments. Directs Task Force to distribute Fund monies to the states to support economic development, tourism promotion, and ecosystem restoration. At least 80% of a state's allotment must go to local governments affected by the 2010 oil spill. |
| H.R. 1814      | Engel    | May 10, 2011         | Offending Oil<br>Polluters Act<br>of 2011  | Referred to the House<br>Committee on Ways and<br>Means  | Amends the tax code to establish conditions for oil spill responsible parties who may seek certain tax deductions or credits.   |
| H.R. 1870      | Connolly | May 12, 2011         | Increase<br>American<br>Energy<br>Production<br>Now Act of<br>2011                         | Referred to the House<br>Committee on Natural<br>Resources and other<br>committees   | Provisions nearly identical to H.R. 501 (above).  |
| H.R. 1890      | Tsongas  | May 12, 2011         | SAFER Drilling<br>Act  | Referred to the House<br>Committee on Natural<br>Resources   | Amends the OCSLA to require exploration and development and production plans to include an oil spill containment and cleanup plan that can address a worst-case discharge. EPA must approve the containment/cleanup plan.   |
| H.R. 2386      | Markey   | June 24, 2011        | Oil Spill<br>Victims<br>Redress Act  | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure  | Amends state court jurisdiction provisions in OPA; amends state authority regarding additional oil spill liability. Changes effective for any claim that is pending on, or filed on or after, the date of enactment.  |
| H.R.<br>2845*  | Shuster  | September 7,<br>2011 | Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011                        | Passed House December 12, 2011 (H. Rept 112-297); passed Senate December 13, 2011; signed by President January 3, 2012 (P.L. 112-90) | Details provided in <b>Table 2</b> (above).   |
| H.R. 3096      | Scalise  | October 5, 2011      | Resources and<br>Ecosystems<br>Sustainability,<br>Tourist<br>Opportunities,<br>and Revived | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure and other<br>committees                                | Establishes a Gulf Coast Restoration Fund, financed by 80% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §311. Directs the Secretary of the Treasury to administer the fund. Fund money will be distributed as follows:  |

| Bill<br>Number | Sponsor  | Introduced<br>Date   | Short Title  | Major Actions  | Key Provisions   |
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|                |          |                      | Economies of<br>the Gulf Coast<br>States Act of                      |  | (1) 35% to the Gulf Coast States in equal shares to support eligible activities, some of which cover a broad range (e.g., "workforce development and job creation, and other economic development projects.")  |
|                |          |                      | 2011   |  | (2) 60% to the newly created Gulf Coast Ecosystem Restoration Council, which distributes funds based on a Comprehensive Plan. Funding priorities (e.g., restoration, previous plans, large-scale) apply. Projects must qualify as one of the specific eligible activities. Annual distributions are subject to a formula that allocates project funding to states based on (1) miles of oiled shoreline, (2) oiled shoreline distance to the well head, and (3) coastal population. These criteria are not weighted equally. |
|                |          |                      |  |  | (3) 5% to support research efforts. Equal shares to a newly created Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program and a newly created Fisheries and Ecosystem Endowment.   |
|                |          |                      |  |  | (4) 50% of interest earned to support a newly created Gulf of Mexico Research Endowment; other earned interest would remain in the fund until expended.  |
| H.R. 3393      | Rivera   | November 4,<br>2011  | Foreign Oil<br>Spill Liability<br>Act of 2011                        | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure                          | Amends OPA to make the owner/operator of a foreign offshore unit (e.g., oil well) liable as an OPA responsible party; amends CWA to subject such units to CWA discharge penalties.   |
| H.R.<br>3408*  | Lamborn  | November 14,<br>2011 | PIONEERS<br>Act  | Reported by the House<br>Committee on Natural<br>Resources (H. Rept. 112-<br>392) on February 9, 2012; | Among other provisions, the passed version included an amendment (H.Amdt. 951, offered by Scalise) that added the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 ("RESTORE Act").  |
|                |          |                      |  | passed House February 16,<br>2012  | This act would establish a Gulf Coast Restoration Trust Fund in the Treasury, financed by 80% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §311. Monies in the Fund would be available through future congressional action to support Gulf Coast restoration—both natural resources and the regional economy.  |
| H.R. 3426      | Connolly | November 16,<br>2011 | Protecting<br>Neighborhood<br>s from Oil<br>Pollution Act<br>of 2011 | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure                          | Directs EPA to issue regulations requiring the closure of an oil storage facility if certain conditions apply: (1) facility is located within 1 mile of 100 residents and 2 or more spills have occurred within 10 years; and (2) facility's oil spill led to groundwater contamination affecting 100 or more residents.   |

| Bill<br>Number | Sponsor    | Introduced<br>Date   | Short Title   | Major Actions   | Key Provisions   |
|----------------|------------|----------------------|---|---|--|
| H.R. 3472      | Young      | November 17,<br>2011 | Pirate Fishing<br>Vessel<br>Disposal Act<br>of 2011             | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure and other<br>committees | Amends underlying code of OSLTF (26 U.S.C. 9509) to allow the trust fund to finance activities concerning forfeited fishing vessels, including sinking, scrapping, and recycling vessels.  |
| H.R. 3757      | Richardson | December 20,<br>2011 | Securing Health for Ocean Resources and Environment (SHORE) Act | Referred to the House<br>Committee on<br>Transportation and<br>Infrastructure and other<br>committees | Title I: Directs NOAA Administrator to review NOAA's capacity to respond to oil spills and report to Congress; develop and maintain oil spill trajectory models; update the environmental sensitivity index products for each U.S. coastal area and offshore leasing area; prepare a review of subsea hydrocarbons, including their effects with dispersants on marine resources; establish a hydrocarbon monitoring and assessment program; set up an Interagency Coordinating Committee on Oil Pollution Research; establish an initiative examining threat and fate of oil spills from aging or abandoned infrastructure; prepare inventory of offshore abandoned/sunken vessels; submit report after enactments and every five years thereafter describing leasing regions' ecological baselines and risks posed by hydrocarbon development. |
|                |            |                      |   |   | Amends OPA to provide OSLTF monies to NOAA without further appropriation.  |
|                |            |                      |   |   | Amends the CZMA to allow Secretary of Commerce to issue grants, not to exceed \$750,000 per year for one state, to states for specific purposes, including programs to identify and implement policies that address oil spill response and impacts (environmental, economic, and social) at the state level. Grants do not require state matching funds.   |
|                |            |                      |   |   | Directs the Secretary of Commerce to establish a long-term (10-year minimum) marine environmental monitoring and research program for the Gulf, ensuring access to independent, peer-reviewed data regarding impacts associated with <i>Deepwater Horizon</i> spill. Requires biennial reports to Congress. Data to be available to public after review and approval of Attorney General.  |
|                |            |                      |   |   | Directs NOAA with collaboration from other agencies to direct research and perform actions to improve oil spill prevention, response, and recovery in Arctic waters.   |
|                |            |                      |   |   | <b>Title II</b> : Directs Coast Guard to assess and take action to reduce the risk and improve the capability of the United States to respond to a maritime disaster in the U.S. Beaufort and Chukchi Seas.  |
|                |            |                      |   |   | Requires oil spill response plans be updated every five years.   |

| Bill<br>Number | Sponsor | Introduced<br>Date | Short Title | Major Actions | Key Provisions  |
|----------------|---------|--------------------|-------------|---------------|---|
|                |         |                    |             |               | Directs DHS Secretary to establish a program for the formal evaluation and validation of oil pollution containment and removal technologies and methods. At each validation, the Secretary is to determine if the process or technology should be designated as "best available."   |
|                |         |                    |             |               | Instructs the DHS Secretary to increase the frequency and comprehensiveness of safety inspections for U.S. and foreign-flagged vessels.   |
|                |         |                    |             |               | Adds offshore oil/gas exploration/production facilities (and components such drilling systems, risers and blowout preventers) to the list of vessels subject to Coast Guard inspection (33 U.S.C. §3301).   |
|                |         |                    |             |               | Directs the Coast Guard Commandant, in consultation with NOAA, to identify areas of U.S. waters in which routing or other navigational measures should be established to reduce oil spill risks. If identified, the DHS Secretary and NOAA Administrator are to seek to establish such areas through the International Maritime Organization. Instructs the Coast Guard Commandant to submit quarterly data to Congress on data collected in support of this section. |
|                |         |                    |             |               | Allows a state to require 24-hour notification to the state and Coast Guard if a person transfers more than 250 barrels of oil to, from, or within a vessel in state waters.  |
|                |         |                    |             |               | Amends OPA to establish a Gulf of Mexico Regional Citizens' Advisory Council composed of Gulf stakeholders to (in general) monitor OCS facility and tanker activities, particularly regarding environmental impacts, and recommend standards to minimize impacts.   |
|                |         |                    |             |               | Amends OPA to modify the liability limits for vessels. Increases limits for tank vessels without double-hulls. Creates new liability limits specific to tank barges.  |
|                |         |                    |             |               | Requires the Coast Guard Commandant to make publicly available (on a website) all prepared and approved Incident Action Plans associated with an oil spill response that is within the Coast Guard's jurisdiction. The plans are to be posted no later than 12 hours after an associated action has begun.  |
|                |         |                    |             |               | Authorizes increased appropriations to the Coast Guard for oil spill research and development.  |
|                |         |                    |             |               | <b>Title III</b> : Directs NOAA, in coordination with DHS and EPA, to develop national protocols concerning shoreline characterization data.  |
|                |         |                    |             |               | Requires DOI to consider suggestions from Commerce and Coast Guard when proposing lease sales.  |

| Bill<br>Number | Sponsor          | Introduced<br>Date | Short Title  | Major Actions   | Key Provisions  |
|----------------|------------------|--------------------|--|---|---|
|                |                  |                    |  |   | Prior to the approval of any program, lease, exploration plan, or development and production plan, DOI must consult with NOAA on adverse impacts (e.g., oil spills). NOAA may recommend alternatives.   |
|                |                  |                    |  |   | Establishes a Federal Oil Spill Research Committee (replacing the Interagency Committee in OPA Title VII), represented by NOAA (chair), the Coast Guard, and EPA, to coordinate oil pollution research and development. Committee is to assess state of technology and research needs and report to Congress. Committee is to submit a research implementation plan with assistance from the National Academy of Sciences. Creates a grant program to carry out research efforts. |
| H.R. 3852      | Hastings<br>(FL) | January 31, 2012   | NA   | Referred to the House<br>Committee on Ways and<br>Means   | Amends the tax code (26 U.S.C. §162) to prohibit deductions for monies used to pay oil spill response costs or damage claims.   |
| H.R. 4135      | Flake            | March 3, 2012      | Western<br>Hemisphere<br>Energy<br>Security Act<br>of 2012 | Referred to the House<br>Committee on Foreign<br>Affairs  | Allows U.S. persons to engage in oil spill prevention and cleanup activities in foreign exclusive economic zones (EEZ) that are contiguous to U.S. EEZ.   |
| H.R.<br>4348*  | Mica             | April 16, 2012     | MAP-21   | Passed House on April 18,<br>2012; passed Senate on<br>April 24, 2012; signed by<br>President on July 6, 2012<br>(P.L. 112-141) | Details provided in <b>Table 2</b> (above).   |
| H.R. 5745      | Ellison          | May 15, 2012       | End Polluter<br>Welfare Act<br>of 2012                     | Referred to the House<br>Committee on Ways and<br>Means and other<br>committees   | Increases the per-barrel tax on domestic and imported oil that finances the Oil Spill Liability Trust Fund. Amends applicability of tax to include bitumen and bituminous mixtures (i.e., oil sands-derived crude oil materials).  Amends the tax code (26 U.S.C. §280I) to prohibit deductions for monies used to pay oil spill response costs or damage claims.   |

Source: Prepared by CRS.

**Note:** The bills included in this table do not represent an exhaustive list but include bills that generally focus on oil spill policy matters that concern prevention, preparedness, response, liability and compensation, and Gulf restoration.

- a. Titles VIII and IX of H.R. 501 are not included in this table, because the issues are beyond the scope of this report.
- b. This issue is beyond the scope of this report. For more information, see CRS Report R41485, Reorganization of the Minerals Management Service in the Aftermath of the Deepwater Horizon Oil Spill, by Henry B. Hogue.
- c. For more information, see CRS Report R41265, The 2010 Oil Spill: MMS/BOEMRE and NEPA, by Kristina Alexander.

- d. This issue is beyond the scope of this report. For more information, see CRS Report RL33404, Offshore Oil and Gas Development: Legal Framework, by Adam Vann. See also CRS Report RS22567, Royalty Relief for U.S. Deepwater Oil and Gas Leases, by Marc Humphries.
- e. The National Oil and Hazardous Substances Pollution Contingency Plan (NCP) contains the federal government's regulatory and operative requirements for responding to an oil spill (or hazardous substance release) into or on navigable waters and other specified locations. First developed through administrative processes in 1968, the NCP has been amended by subsequent laws, including the CWA and the OPA in 1990. Oil spill response actions required under the regulations of the NCP are binding and enforceable, per these enforcement authorities.
- f. Congress created the Oil Spill Liability Trust Fund (OSLTF) in 1986, but did not authorize its use or provide its funding until OPA. The National Pollution Funds Center (NPFC), an office within the Coast Guard, manages the trust fund. Key functions of the trust fund are (1) to provide funds (e.g., to agencies such as EPA) for immediate oil spill response, and (2) to compensate parties for injuries/damages from the oil spill, if the responsible party (for whatever reason) denies payment, and the NPFC determines the damages are compensable under the statute. The trust fund is primarily financed through an 8 cents per-barrel tax on domestic and imported oil. See CRS Report RL33705, Oil Spills in U.S. Coastal Waters: Background and Governance, by Jonathan L. Ramseur.

#### Table 4. Oil Spill Legislation in the 112th Congress—Senate Proposals

Bills marked with an asterisk indicate committee or chamber action

Does not include resolutions

| Bill<br>Number | Sponsor     | Introduced<br>Date  | Short Title                        | Major Actions  | Key Provisions   |
|----------------|-------------|---------------------|------------------------------------|--|--|
| S. 183         | Rockefeller | January 25,<br>2011 | Deepwater<br>Horizon<br>Survivors' | Referred to the<br>Senate Committee on<br>Commerce, Science, | Amends Shipowner's Liability Act of 1851 by adding claims related to injury or wrongful death arising from <i>Deepwater Horizon</i> incident to the list of claims that are not subject to limitation.   |
|                |             |                     | Fairness Act                       | and Transportation   | Expands liability under Death on the High Seas Act (46 U.S.C. Chapter 303) and Jones Act (46 U.S.C. §30104).   |
| S. 203         | Begich      | January 26,<br>2011 | Responsible<br>Arctic Energy       | Referred to the Senate Committee on                          | Directs NOAA to conduct research to improve oil spill prevention, response, and recovery in Arctic waters.   |
|                |             |                     | Development<br>Act of 2011         | Commerce, Science, and Transportation                        | Directs the Coast Guard to assess U.S. capability to respond to maritime disasters in the Arctic region and take actions to improve capabilities.  |
|                |             |                     |                                    |  | Amends OPA oil pollution research provisions, creating two vice chairmen for the Interagency Committee: NOAA and EPA. Directs the Interagency Committee to request a risk assessment from the National Research Council regarding Arctic oil spill operations. |
|                |             |                     |                                    |  | States that testing of oil spill technologies would not constitute a major federal action under NEPA. Authorizes EPA, with NOAA and DOI consultation, to waive any provisions of any laws that limit testing of oil spill capabilities in U.S. waters.         |
|                |             |                     |                                    |  | Authorizes up to \$20 million annually without further appropriations to NOAA from the OSLTF for marine species rescue, rehabilitation, and recovery.  |

| Bill<br>Number | Sponsor     | Introduced<br>Date   | Short Title  | Major Actions   | Key Provisions  |
|----------------|-------------|----------------------|--|---|---|
| S. 204         | Begich      | January 26,<br>2011  | Resources for<br>Oil Spill Research<br>and Prevention                  | Referred to the<br>Senate Committee on<br>Finance                         | Increases the OSLTF per-barrel tax financing rate from 8 to 11 cents for domestic crude and from 8 to 15 cents for imported crude oil. Repeals the termination date of the tax.   |
|                |             |                      | Act  |   | Amends OPA to allow the increased tax collections (3 cents and 7 cents, respectively) to pay for NOAA, Coast Guard, and other agency oil spill research, prevention, and response functions; environmental assessment studies; and grants to affected states and other entities for OCS oil discharge research. |
| S. 214         | Menendez    | January 27,<br>2011  | Big Oil Bailout<br>Prevention<br>Unlimited<br>Liability Act of<br>2011 | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works | Amends OPA retroactively to eliminate the liability limit for offshore facilities.  |
| S. 215         | Menendez    | January 27,<br>2011  | Big Oil Bailout<br>Prevention Trust<br>Fund Act of 2011                | Referred to the<br>Senate Committee on<br>Finance                         | Amends the tax code (26 U.S.C. §9509) to eliminate the \$1 billion perincident cap on the OSLTF; allows for advances from the General Treasury to the OSLTF.  |
| S. 338         | Feinstein   | February 14,<br>2011 | Deepwater<br>Drilling Royalty<br>Relief Prohibition<br>Act             | Referred to the<br>Senate Committee on<br>Energy and Natural<br>Resources | Repeals royalty relief provisions of the Energy Policy Act of 2005 for deepwater production in the Gulf of Mexico; amends OCSLA to remove authority for DOI Secretary to modify royalty payments for leases in water depths of more than 400 meters.  |
| S. 405         | Nelson (FL) | February 17,<br>2011 | Gulf Stream<br>Protection Act of<br>2011                               | Referred to the<br>Senate Committee on<br>Energy and Natural<br>Resources | Amends OCSLA to prohibit DOI Secretary from granting an OCS oil/gas lease to a party conducting oil/gas operations in Cuban waters, unless the party has a Cuban oil spill response plan and can demonstrate financial responsibility to address an oil spill in Cuban waters that would affect U.S. waters.    |
|                |             |                      |  |   | Directs the Secretary of the Interior to prepare an oil spill risk analysis and planning process for response plans for nondomestic oil spills in the Gulf of Mexico. Instructs NOAA to conduct modeling of Cuban waters to support the risk analysis.  |
| S. 594         | Whitehouse  | March 16,<br>2011    | Oil Spill Victims<br>Redress Act                                       | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works | Amends state court jurisdiction provisions in OPA; amends state authority regarding additional oil spill liability. Changes effective for any claim that is pending on, or filed on or after, the date of enactment.  |
| S. 661         | Lautenberg  | March 29,<br>2011    | Safe Dispersants<br>Act  | Referred to the<br>Senate Committee on                                    | Amends CWA to establish conditions in which a dispersant may be used: the harm from use of the dispersant must be less than the harm of other oil mitigation options. Directs EPA to establish regulations to require further information (e.g., effects on various organisms) about dispersants listed on      |

| Bill<br>Number | Sponsor     | Introduced<br>Date | Short Title  | Major Actions   | Key Provisions   |
|----------------|-------------|--------------------|--|---|--|
|                |             |                    |  | Environment and Public Works  | the Product Schedule. Instructs EPA to conduct dispersant study regarding impacts and governance.  |
| S. 662         | Vitter      | March 29,<br>2011  | Natural<br>Resources<br>Restoration Act<br>of 2011                                 | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works | Directs EPA to create a panel, in consultation with the National Academy of Sciences and federal and state trustees, to prepare a preliminary report of natural resource damages. Requires resource trustees to prepare a "special assessment" in amount equal to 30% of costs of restoring natural resources (or a mutually agreed amount). Responsible parties must pay this amount, which will be used to for restoration projects. |
| S. 861         | Landrieu    | April 14, 2011     | Resources and<br>Ecosystems<br>Sustainability,<br>Tourist                          | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works | Establishes a Gulf Coast Restoration Fund, financed by 80% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §311. Directs the Secretary of the Treasury to administer the fund. Fund money will be distributed as follows:   |
|                |             |                    | Opportunities,   |   | (1) 35% to the Gulf Coast States in equal shares to support eligible activities;   |
|                |             |                    | and Revived<br>Economies of the<br>Gulf Coast States<br>Act of 2011                |   | <ul> <li>(2) 60% to the newly created Gulf Coast Ecosystem Restoration Council, which distributes funds based on a Comprehensive Plan. Funding priorities (e.g., restoration, previous plans, large-scale) apply. Projects must qualify as one of the specific eligible activities.</li> <li>(3) 5% to support Gulf Coast Ecosystem Restoration Science, Monitoring, and Technology Program.</li> </ul>                                |
| S. 862         | Nelson (FL) | April 14, 2011     | Comprehensive<br>Gulf of Mexico<br>Recovery,<br>Restoration, and<br>Resiliency Act | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works | Creates a Gulf of Mexico Recovery Fund, financed by not less than 100% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §§309 and 311. Establishes a Gulf of Mexico Recovery Council with the same members as Gulf Coast Ecosystem Restoration Task Force (established by Executive Order 13554). Council must develop a comprehensive recovery plan. Funds distributed as follows:                        |
|                |             |                    |  |   | (1) 45% of the funds for local government grants to support economic development, ecosystem restoration, and public health rehabilitation;   |
|                |             |                    |  |   | (2) 50% of the funds for grants to other groups, including federal/state agencies and academic institutions for same purposes;   |
|                |             |                    |  |   | (3) 5% of the funds available to administer a newly created Fishery Endowment.   |
|                |             |                    |  |   | Allocation to states based on formula considering proportion of Gulf coastline and population on Gulf coastline. Creates a Citizens' Advisory Committee that will submit biennial reports to Congress regarding the extent of achievement of safe oil and gas activities in the Gulf and related issues. Creates a Scientific Advisory Committee to advise the Council regarding relevant scientific issues.                           |

| Bill<br>Number | Sponsor  | Introduced<br>Date | Short Title   | Major Actions  | Key Provisions   |
|----------------|----------|--------------------|---|--|--|
| S. 870         | Tester   | May 3, 2011        | Pollution<br>Accountability<br>Act of 2011          | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works  | Amends CWA §311 civil penalty provisions by stating that the penalty amount shall be the higher of \$25,000/day or \$1,000/barrel of oil discharged. (Note that these statutory amounts have been increased for inflation through EPA regulations.)  |
| S. 917         | Bingaman | May 9, 2011        | Outer<br>Continental Shelf<br>Reform Act of<br>2011 | Referred to the<br>Senate Committee on<br>Energy and Natural<br>Resources. | Among other provisions, amends OCSLA policy declaration (§1332) to require best available technology for operations in the OCS. Directs the DOI Secretary to create an Outer Continental Shelf Safety and Environmental Advisory Board to provide independent, peer-reviewed advice.   |
|                |          |                    |   |  | Disqualifies parties from bidding for OCS leases if, after prior public notice and opportunity for a hearing, they are identified as a responsible party in an oil spill and not in compliance with OPA compensation obligations.  |
|                |          |                    |   |  | Increases the review time from 30 to 90 days for exploration plans, allowing additional review time in certain circumstances. Requires additional response/containment information be submitted with exploration plans. Allows DOI to disapprove an exploration plan under certain conditions (namely risk of environmental harm). |
|                |          |                    |   |  | Requires lease holders seeking to operate in water depths of 500 feet or more to submit and receive DOI approval for a deepwater operations plan.  |
|                |          |                    |   |  | Requires drilling permits to be reviewed by two agency engineers; requires submission and approval of a safety and environmental management plan before issuance of a drilling permit.   |
|                |          |                    |   |  | Amends principles of OCSLA leasing program to give equal consideration to economic, social, and environmental values of the OCS.   |
|                |          |                    |   |  | Directs DOI to develop research to support OCS resource decisions. Calls for research and development for OCS risk assessment, environmental protection, and spill response.   |
|                |          |                    |   |  | Amends OCLSA provisions regarding best available technology by removing considerations of increased costs.   |
|                |          |                    |   |  | Directs DOI to develop regulations requiring submission of a safety case with a drilling permit.   |
|                |          |                    |   |  | Directs Coast Guard to expand its investigations to apply to loss of well control and BOP activation (along with fires and major oil spills).  |
|                |          |                    |   |  | Allows DOI to request an incident investigation from the National Transportation Safety Board; directs DOI to create public database of causes and corrective actions for investigated incidents.  |
|                |          |                    |   |  | Creates fee program to fund inspections at offshore facilities.  |

| Bill<br>Number | Sponsor   | Introduced<br>Date | Short Title  | Major Actions   | Key Provisions  |
|----------------|-----------|--------------------|--|---|---|
|                |           |                    |  |   | Amends OCLSA to increase civil penalty amounts from \$20,000/day to \$75,000/day. Increases criminal penalty amount from \$100,000 to \$10 million.   |
|                |           |                    |  |   | Requires lessees in the Gulf of Mexico to submit a development and production plan. Lessees in other locations are currently required to submit this plan.  |
|                |           |                    |  |   | Directs the Energy Information Administration to report to Congress on the economic effects of the moratoria on deepwater drilling established after the 2010 Gulf oil spill.   |
|                |           |                    |  |   | Modifies underlying objectives of research/development program created by Energy Policy Act of 2005; expands scope to address deepwater rather than "ultra-deepwater" activities. Alters award funding available per §999H of the act to encourage safe operations and preventative technologies. Directs Secretary of Energy to publish results of research efforts in Federal Register. Alters advisory committee provisions of §999D of the act.                                       |
|                |           |                    |  |   | Creates within the legislative branch the National Commission on Outer Continental Shelf Oil Spill Prevention to examine/report on the causes relating to the 2010 <i>Deepwater Horizon</i> incident. Provides subpoena power to the Commission.  |
|                |           |                    |  |   | Directs DOI and the Coast Guard to issue joint regulations regarding offshore facility systems. Requires certification and classification by third parties.   |
| S. 926         | Menendez  | May 9, 2011        | Clean Ocean and<br>Safe Tourism<br>Anti-Drilling Act | Referred to the<br>Senate Committee on<br>Energy and Natural<br>Resources | Amends the OCSLA to prohibit leasing in the Mid- or North Atlantic planning areas.  |
| S. 953*        | McConnell | May 11, 2011       | Offshore<br>Production and<br>Safety Act of<br>2011  | Considered in the<br>Senate May 18, 2011,<br>and ultimately<br>withdrawn  | Among other provisions, amends OCSLA to require that exploration plans include a third-party review describing the means and timeline for subsea containment of a discharge specific to planned operation. Directs the Secretary of Energy to report on methodologies and technological responses to oil spills and mitigating the effects of oil spills. Directs GAO to report on existing federal government capabilities and legal authorities to prevent and respond to an oil spill. |

| Bill<br>Number | Sponsor     | Introduced<br>Date  | Short Title                                 | Major Actions  | Key Provisions   |
|----------------|-------------|---|---|--|--|
| S. 983         | Nelson      | May 12, 2011  | NA  | Referred to the<br>Senate Committee on<br>Finance  | Amends the tax code (26 U.S.C. §162) to prohibit deductions for monies used to pay oil spill response costs or damage claims.  |
| S. 973         | Whitehouse  | May 12, 2011  | National<br>Endowment for<br>the Oceans Act | Referred to the<br>Senate Committee on<br>Commerce, Science,<br>and Transportation               | Creates a National Endowment for the Oceans funded by interest earned by the OSLTF, when the fund balance exceeds \$1.5 billion. In addition, 10% of various civil penalties associated with OCS activity would fund the endowment.  |
| S. 1140        | Rockefeller | May 26, 2011  | Gulf Coast<br>Restoration Act               | Referred to the<br>Senate Committee on<br>Commerce, Science,<br>and Transportation               | Creates a Gulf Coast Ecosystem Restoration task force, staffed by high-ranking federal agency officials, and appointees from four of the Gulf states and local governments. The President appoints the chair. State governors (Alabama, Florida, Louisiana, and Mississippi) must submit coastal ecosystem restoration plans for approval by the chair of the task force.  |
|                |             |   |   |  | Establishes a Gulf Coast Ecosystem Restoration Fund, financed by not less than 80% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §§309 and 311. The task force chair is to distribute monies from the fund to states in support of their restoration plans.   |
| S. 1321        | Lugar       | June 30, 2011   | Practical Energy<br>Plan Act of 2011        | Referred to the<br>Senate Committee on<br>Finance  | Among other provisions, directs DOI to report to Congress before issuing the first 10 drilling permits in selected areas, describing oil spill preparedness, containment, and response. Amends the OCSLA to require exploration plans include a third-party review describing the means and timeline for subsea containment of a discharge specific to planned operation.  |
| S. 1400*       | Landrieu    | Landrieu July 21, 2011 Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) of the Gulf Coast States Act of 2011 | Ecosystems<br>Sustainability,               | Reported from the<br>Senate Committee on<br>Environment and<br>Public Works (S.Rept.<br>112-100) | Establishes a Gulf Coast Restoration Fund, financed by 80% of any Deepwater Horizon-related penalties, settlements, and fines under CWA §311. Directs the Secretary of the Treasury to administer the fund and distribute as follows:  |
|                |             |   | and Revived<br>Economies                    |  | (1) 35% to the Gulf Coast States in equal shares to support eligible activities, some of which cover a broad range (e.g., "workforce development and job creation.")   |
|                |             |   | the Gulf Coast<br>States Act of             |  | (2) 60% to a newly created Gulf Coast Ecosystem Restoration Council, which distributes funds based on a Comprehensive Plan. Funding priorities (e.g., restoration, previous plans, large-scale) apply. Projects must qualify as one of the specific eligible activities. Annual distributions are subject to a formula that allocates project funding to states based on (1) miles of oiled shoreline, (2) oiled shoreline distance to the well head, and (3) coastal population. These criteria are not weighted equally. |
|                |             |   |   |  | (3) 5% to support research efforts. Equal shares go to a newly created Gulf<br>Coast Ecosystem Restoration Science, Observation, Monitoring, and   |

| Bill<br>Number | Sponsor  | Introduced<br>Date   | Short Title  | Major Actions  | Key Provisions   |
|----------------|----------|----------------------|--|--|--|
|                |          |                      |  |  | Technology Program and a newly created Fisheries and Ecosystem Endowment.  |
|                |          |                      |  |  | (4) interest earned goes to support a newly created National Endowment for Oceans and a newly created Gulf of Mexico Research Endowment.   |
| S. 1502        | Baucus   | August 2,<br>2011    | Clean Rivers Act<br>of 2011                            | Referred to the<br>Senate Committee on<br>Commerce, Science,<br>and Transportation | Among other provisions, requires oil spill response plans be made publicly available. Directs the Pipeline and Hazardous Materials Safety Administration to craft regulations requiring consultation with local officials when developing response plans. Calls for the NCP regulations to be revised to include more local involvement.                               |
| S. 1836        | Menendez | November 9,<br>2011  | Foreign Oil<br>Pollution Act                           | Referred to the<br>Senate Committee on<br>Environment and<br>Public Works          | Amends OPA to make the owner/operator of a foreign offshore unit (e.g., oil well) liable under OPA. These units would not have a liability limit under OPA. The OSLTF per-incident expenditure cap (currently \$1 billion) would not apply to spills from these units.   |
| S. 1890        | Begich   | November 17,<br>2011 | Pirate Fishing<br>Vessel Disposal<br>Act of 2011       | Referred to the<br>Senate Committee on<br>Commerce, Science,<br>and Transportation | Amends underlying code of the Oil Spill Liability Trust Fund (26 U.S.C. §9509) to allow the trust fund to finance activities concerning forfeited fishing vessels, including sinking, scrapping, and recycling vessels.  |
| S. 3080        | Sanders  | May 10, 2012         | End Polluter<br>Welfare Act of<br>2012                 | Referred to the<br>Senate Finance<br>Committee                                     | Increases the per-barrel tax on domestic and imported oil that finances the Oil Spill Liability Trust Fund. Amends applicability of tax to include bitumen and bituminous mixtures (i.e., oil sands-derived crude oil materials).  |
|                |          |                      |  |  | Amends the tax code (26 U.S.C. §280I) to prohibit deductions for monies used to pay oil spill response costs or damage claims.   |
| S. 2365        | Hatch    | May 25, 2012         | WEST Act   | Referred to the<br>Senate Committee on<br>Energy and Natural<br>Resources          | Amends the OCSLA by requiring the Secretary of the Interior to ensure that proposed drilling operations meet oil spill response and containment requirements before receiving a drilling permit.   |
| S. 3298        | Cantwell | June 14, 2012        | Oil Spill<br>Technology and<br>Research Act of<br>2012 | Referred to the<br>Senate Committee on<br>Commerce, Science,<br>and Transportation | Modifies provisions in OPA Title VII (33 U.S.C. §2761) by replacing the existing Interagency Committee and its authority with a Federal Oil Spill Research Committee. The new committee would be composed of representatives from the Coast Guard, NOAA, DOI, EPA, and other agencies as determined by the President. A NOAA representative would chair the committee. |
|                |          |                      |  |  | Directs the committee to coordinate a comprehensive oil pollution research program; submit a report to Congress on state of oil spill prevention and response capabilities. Establishes a grant program to support research program.   |

| Bill<br>Number | Sponsor | Introduced<br>Date | Short Title | Major Actions | Key Provisions  |
|----------------|---------|--------------------|-------------|---------------|---|
|                |         |                    |             |               | Amends CWA response plan provisions by requiring plans to be updated every five years; plans must include best available technology (to the maximum extent practicable) that can contain a worst-case oil discharge; plans must identify planned and demonstrated investments in oil spill research and technology development. |
|                |         |                    |             |               | In order to support the best available technology provision, the act directs the Coast Guard to develop a program of evaluating oil pollution containment and removal methods and technologies.   |

**Source:** Prepared by CRS.

**Note:** The bills included in this table do not represent an exhaustive list but include bills that generally focus on oil spill policy matters that concern prevention, preparedness, response, liability and compensation, and Gulf restoration.

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